

AMENDED IN SENATE JUNE 22, 2010

AMENDED IN ASSEMBLY APRIL 15, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 2414

Introduced by Assembly Member John A. Perez

February 19, 2010

An act to add Sections 19601.02 and 19605.74 to the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2414, as amended, John A. Perez. Horse racing: thoroughbred racing: Breeders' Cup: wagering deduction: promotion.

Existing law authorizes a thoroughbred association or fair, subject to approval by the California Horse Racing Board, to deduct from the parimutuel pool for any type of wager, a specified percentage for the meeting of the thoroughbred association or fair that accepts the wager.

This bill would authorize a thoroughbred association hosting Breeders' Cup races, upon filing a written notice with the board, to deduct from the total amount handled in the parimutuel pool for any type of wager made during the days on which Breeders' Cup races are held, an amount of not less than 10% nor more than 25%. The bill would require the written notice to include the written agreement of the thoroughbred association and the horsemen's organization. The bill would require the amount deducted to be distributed as prescribed in the Horse Racing Law.

Existing law permits racing associations, fairs, and the organization responsible for contracting with racing associations and fairs with respect to the conduct of racing meetings, to form a private, statewide

marketing organization to market and promote thoroughbred and fair horse racing, and to obtain, provide, or defray the cost of workers' compensation coverage for stable employees and jockeys of thoroughbred trainers.

This bill would, for every year that the organization operating the Breeders' Cup Championship series chooses to conduct the Breeders' Cup Championship series of races in California, require the statewide marketing organization to enter into an agreement, in consultation and cooperation with the California Tourism Commission, with the organization that operates the Breeders' Cup Championship series to sponsor and promote the Breeders' Cup Championship series of races. The bill would require the agreement to provide for assistance with a minimum value of \$2,000,000 annually in support of the organization operating the Breeders' Cup Championship series and to promote the Breeders' Cup Championship series. By imposing new requirements under the Horse Racing Law, the violation of which would be a crime, this bill would create new crimes and would thereby impose a state-mandated local program.

~~This bill would also declare the Legislature's intent to later amend this bill to provide that~~ authorize the board to require that a percentage of the takeout that is attributable to the Breeders' Cup races that otherwise would not have been generated absent the Breeders' Cup races occurring in this state, be eligible to be made available to support the statewide marketing organization and the state horse racing industry.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) The Legislature finds and declares all of the
- 2 following:
- 3 (1) The Breeders' Cup Championship series of races is the
- 4 preeminent series of horse races recognized throughout the world.

1 (2) From the inaugural running in Hollywood Park 26 years
2 ago, the Breeders' Cup has a rich and vibrant tradition in
3 California, having been run here eight times.

4 (3) The Breeders' Cup Championship races have, for 2008 and
5 2009, been held in California and have been an outstanding success,
6 bringing significant revenue and tourism to the State of California.

7 (4) In 2009, the Breeders' Cup was held at Santa Anita racetrack
8 located in Los Angeles County, where it was attended by over
9 96,000 fans and telecast to over 130 countries.

10 (5) The Los Angeles Economic Development Commission,
11 having studied the impact of the Breeders' Cup Championship
12 series being held in California the last two years, has concluded
13 that the events have brought an additional sixty million dollars
14 (\$60,000,000) in economic impact to the State of California and
15 Los Angeles region each year, through added tourism and other
16 economic impact, and created over 500 direct and indirect jobs.

17 (6) The Legislature and the Governor of California recognize
18 the importance of the horse racing industry to this state, including
19 the 50,000 jobs associated with the industry, and have taken
20 significant steps to support the industry, evidenced most recently
21 by the forty million dollars (\$40,000,000) in license fee relief
22 provided in 2009.

23 (b) It is therefore the desire of the Legislature to encourage the
24 organization operating the Breeders' Cup Championship series to
25 make California the permanent home of the Breeders' Cup
26 Championship series, and it is the intent of the Legislature, through
27 the enactment of this act, to provide substantial support towards
28 that end.

29 SEC. 2. Section 19601.02 is added to the Business and
30 Professions Code, to read:

31 19601.02. Notwithstanding any other law, a thoroughbred
32 association hosting the series of thoroughbred championship races
33 known as the "Breeders' Cup" races may, upon filing a written
34 notice with the board, deduct from the total amount handled in the
35 parimutuel pool for any type of wager made during the days on
36 which Breeders' Cup races are held, an amount of not less than
37 10 percent nor more than 25 percent. The written notice shall
38 include the written agreement of the thoroughbred association and
39 the horsemen's organization for the meeting of the thoroughbred
40 association accepting the wager. The amount deducted shall be

1 distributed as prescribed in this chapter, *including the provisions*
2 *of Section 19605.74.*

3 SEC. 3. Section 19605.74 is added to the Business and
4 Professions Code, to read:

5 19605.74. (a) For every year that the organization operating
6 the Breeders' Cup Championship series chooses to conduct the
7 Breeders' Cup Championship series of races in California, the
8 private, statewide marketing organization formed pursuant to
9 subdivision (a) of Section 19605.73 shall enter into an agreement,
10 in consultation and cooperation with the California Tourism
11 Commission, with the organization that operates the Breeders'
12 Cup Championship series to sponsor and promote the Breeders'
13 Cup Championship series of races. The agreement shall provide
14 for assistance with a minimum value of two million dollars
15 (\$2,000,000) annually in support of the organization operating the
16 Breeders' Cup Championship series and to promote the Breeders'
17 Cup Championship series.

18 ~~SEC. 4. It is also the intent of the Legislature to later amend~~
19 ~~this bill to provide~~

20 (b) *The board may require* that a percentage of the takeout that
21 is attributable to the Breeders' Cup races that otherwise would not
22 have been generated absent the Breeders' Cup races occurring in
23 this state, ~~be eligible to be made available to support the statewide~~
24 ~~marketing organization formed pursuant to subdivision (a) of~~
25 ~~Section 19605.73 of the Business and Professions Code and the~~
26 ~~state horse racing industry.~~

27 ~~SEC. 5.~~

28 SEC. 4. No reimbursement is required by this act pursuant to
29 Section 6 of Article XIII B of the California Constitution because
30 the only costs that may be incurred by a local agency or school
31 district will be incurred because this act creates a new crime or
32 infraction, eliminates a crime or infraction, or changes the penalty
33 for a crime or infraction, within the meaning of Section 17556 of
34 the Government Code, or changes the definition of a crime within
35 the meaning of Section 6 of Article XIII B of the California
36 Constitution.

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2 CORRECTIONS:
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